

House of Representatives, April 16, 1998. The Committee on Appropriations reported through REP. DYSON, 94th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE EDUCATION COST SHARING FORMULA.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (9) of section 10-262f
2 of the general statutes, as amended by section 1
3 of public act 97-318 and section 13 of public act
4 97-2 of the June 18 special session, is repealed
5 and the following is substituted in lieu thereof:

6 (9) "Foundation" means (A) for the fiscal
7 year ending June 30, 1990, three thousand nine
8 hundred eighteen dollars, (B) for the fiscal year
9 ending June 30, 1991, four thousand one hundred
10 ninety-two dollars, (C) for the fiscal year ending
11 June 30, 1992, four thousand four hundred
12 eighty-six dollars, (D) for the fiscal years
13 ending June 30, 1993, June 30, 1994, and June 30,
14 1995, four thousand eight hundred dollars, and (E)
15 for the fiscal years ending June 30, 1996, June
16 30, 1997, June 30, 1998, and June 30, 1999, five
17 thousand seven hundred [eleven] SEVENTY-FIVE
18 dollars.

19 Sec. 2. Subdivision (6) of subsection (a) of
20 section 10-262h of the general statutes, as
21 amended by section 2 of public act 97-318, is

22 repealed and the following is substituted in lieu
23 thereof:

24 (6) For the fiscal years ending June 30,
25 1996, June 30, 1997, June 30, 1998, and June 30,
26 1999, a grant in an amount equal to the sum of (A)
27 the product of a town's base aid ratio, the
28 foundation level and the town's total need
29 students for the fiscal year prior to the year in
30 which the grant is to be paid, (B) the product of
31 a town's supplemental aid ratio, the foundation
32 level and the sum of the portion of its total need
33 students count described in subparagraphs (B) and
34 (C) of subdivision (25) of section 10-262f for the
35 fiscal year prior to the fiscal year in which the
36 grant is to be paid, and the adjustments to its
37 resident student count described in subdivision
38 (22) of section 10-262f, relative to length of
39 school year and summer school sessions, and (C)
40 the town's regional bonus, except that the amount
41 so determined shall be adjusted in accordance with
42 the following: For the fiscal years ending June
43 30, 1996, June 30, 1997, June 30, 1998, and June
44 30, 1999, for each town, the maximum percentage
45 increase over its previous year's base revenue
46 shall be the product of [two] FIVE per cent and
47 the ratio of the wealth of the town ranked one
48 hundred fifty-third when all towns are ranked in
49 descending order to each town's wealth, provided
50 no town shall receive an increase greater than
51 [two] FIVE per cent. For the fiscal year ending
52 June 30, 1996, for each town, the maximum
53 percentage reduction from its previous year's base
54 revenue shall be equal to the product of three per
55 cent and the ratio of each town's wealth to the
56 wealth of the town ranked seventeenth when all
57 towns are ranked in descending order, provided no
58 town's grant shall be reduced by more than three
59 per cent. For the fiscal years ending June 30,
60 1997, June 30, 1998, and June 30, 1999, for each
61 town, the maximum percentage reduction from its
62 previous year's base revenue shall be equal to the
63 product of [nine] FIVE per cent and the ratio of
64 each town's wealth to the wealth of the town
65 ranked seventeenth when all towns are ranked in
66 descending order, provided no town's grant shall
67 be reduced by more than [nine] FIVE per cent. In
68 addition to the amount determined pursuant to this
69 subdivision, a town shall be eligible for a

70 density supplement if the density of the town is
71 greater than the average density of all towns in
72 the state. The density supplement shall be
73 determined by multiplying the density aid ratio of
74 the town by the foundation level and the town's
75 total needs students for the prior fiscal year.
76 For the fiscal year ending June 30, 1997, the
77 grant determined in accordance with this
78 subdivision for a town ranked one to forty-two
79 when all towns are ranked in descending order
80 according to town wealth shall be further reduced
81 by one and two-hundredths of a per cent and such
82 grant for all other towns shall be further reduced
83 by fifty-six-hundredths of a per cent. For the
84 fiscal years ending June 30, 1998, and June 30,
85 1999, no town whose school district is a priority
86 school district shall receive a grant pursuant to
87 this subdivision in an amount that is less than
88 the amount received under such grant for the prior
89 fiscal year. For the fiscal years ending June 30,
90 1998, and June 30, 1999, no town whose school
91 district is a priority school district shall
92 receive a grant pursuant to this subdivision in an
93 amount that is less than seventy per cent of the
94 sum of (i) the product of a town's base aid ratio,
95 the foundation level and the town's total need
96 students for the fiscal year prior to the year in
97 which the grant is to be paid, (ii) the product of
98 a town's supplemental aid ratio, the foundation
99 level and the sum of the portion of its total need
100 students count described in subparagraphs (B) and
101 (C) of subdivision (25) of section 10-262f for the
102 fiscal year prior to the fiscal year in which the
103 grant is to be paid, and the adjustments to its
104 resident student count described in subdivision
105 (22) of said section 10-262f relative to length of
106 school year and summer school sessions, and (iii)
107 the town's regional bonus.

108 Sec. 3. Subsection (c) of section 10-262i of
109 the general statutes is repealed and the following
110 is substituted in lieu thereof:

111 (c) All aid distributed to a town pursuant to
112 the provisions of this section shall be expended
113 for [school] EDUCATIONAL purposes only and shall
114 be expended upon the authorization of the local or
115 regional board of education. FOR THE FISCAL YEAR
116 ENDING JUNE 30, 1999, AND EACH FISCAL YEAR
117 THEREAFTER, IF A TOWN RECEIVES AN INCREASE IN

118 FUNDS PURSUANT TO THIS SECTION OVER THE AMOUNT IT
119 RECEIVED FOR THE PRIOR FISCAL YEAR SUCH INCREASE
120 SHALL NOT BE USED TO SUPPLANT LOCAL FUNDING FOR
121 EDUCATIONAL PURPOSES.

122 Sec. 4. (NEW) (a) The State Board of
123 Education shall administer a transitional school
124 district grant program in accordance with this
125 section. Each school district that is not a
126 priority school district pursuant to section
127 10-266p of the general statutes, as amended, and
128 is in a town which ranks one to twenty-one,
129 inclusive, when towns are ranked in accordance
130 with subdivision (2) or (3) of said section
131 10-266p shall be eligible for a transitional
132 school district grant of two hundred fifty
133 thousand dollars. The local board of education for
134 such school district shall apply for such grant at
135 such time and in such manner as the Commissioner
136 of Education prescribes.

137 (b) A transitional school district grant
138 shall be payable to the local board of education
139 for the school district. The local board shall use
140 the funds for any of the following: (1) The
141 creation or expansion of programs or activities
142 related to dropout prevention, (2) alternative and
143 transitional programs for students having
144 difficulty succeeding in traditional educational
145 programs, (3) academic enrichment, tutorial and
146 recreation programs or activities in school
147 buildings during nonschool hours and during the
148 summer, (4) development or expansion of
149 extended-day kindergarten programs, (5)
150 development or expansion of early reading
151 intervention programs, including summer and
152 after-school programs, (6) enhancement of the use
153 of technology to support instruction or improve
154 parent and teacher communication, (7) initiatives
155 to strengthen parent involvement in the education
156 of children, and parent and other community
157 involvement in school and school district
158 programs, activities and educational policies,
159 which may be in accordance with the provisions of
160 section 10-4g, as amended, or (8) for purposes of
161 obtaining accreditation for elementary and middle
162 schools from the New England Association of
163 Schools and Colleges. Each such board of education
164 shall use at least twenty per cent of its grant
165 for early reading intervention programs. Each such

166 board of education shall use its grant to
167 supplement existing programs or create new
168 programs. If the State Board of Education finds
169 that any such grant is being used for other
170 purposes or is being used to decrease the local
171 share of support for schools, it may require
172 repayment of such grant to the state.

173 (c) Each transitional school district grant
174 shall be awarded on an annual basis. Funding in
175 subsequent years shall be based on funds
176 available, annual application and program
177 evaluation.

178 Sec. 5. This act shall take effect July 1,
179 1998.

180 ED COMMITTEE VOTE: YEA 27 NAY 4 JFS C/R APP
181 APP COMMITTEE VOTE: YEA 50 NAY 0 JF

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER SHB 5558

STATE IMPACT Cost, Implements a Provision of
the Budget, see below

MUNICIPAL IMPACT Revenue Gain, see below

STATE AGENCY(S) Department of Education

	Current FY	1998-99	1999-2000
State Cost	:	:	:
(savings)	:	\$28.0 M	:
St Revenue	:	:	:
(loss)	:	:	:
Net St Cost	:	:	:
(savings)	:	:	:
Municipal	:	:	:
Revenue	:	\$28.0 M	:

EXPLANATION OF ESTIMATES:

STATE AND MUNICIPAL IMPACT: This bill increases state costs and municipal revenue by a total of \$28.0 million in SFY 1998-99. The increase consists of \$25.0 million in ECS and \$3.0 million in the new Transitional School District grant program. The new Transitional School Districts are West Haven, Hamden, Manchester, Norwich, Groton, Stratford, Bloomfield, West Hartford, Killingly, Putnam, Ansonia and Derby. Each will receive \$250,000 based on poverty and remedial education needs. The budget as passed by the Appropriations Committee (SHB 5021) contains funds for an increase of \$20.0

million in ECS and \$1.5 million for Transitional School Districts.

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OLR BILL ANALYSIS

sHB 5558

AN ACT CONCERNING THE EDUCATION COST SHARING FORMULA

SUMMARY: This bill gives more state aid to towns under the Education Cost Sharing (ECS) formula by:

1. raising the foundation level of spending, (the per-student amount, weighted for economic and educational need, the formula provides) for FY 1998-99 from \$5,711 to \$5,775;
2. changing the limits on year-to-year fluctuations in town aid from a maximum of -9% decrease and +2% increase to -5% and +5%; and
3. allocating an extra \$250,000 each to 12 transitional school districts.

Beginning with FY 1998-99, the bill also requires towns that receive an increase in ECS aid in any year to use all the increased aid for educational purposes without supplanting any local education funding.

EFFECTIVE DATE: July 1, 1998

FURTHER EXPLANATION

Caps and Stop-Losses

The ECS aid a town receives is limited by individual and overall maximums on year-to-year aid increases and reductions. Under current law, no town may receive an ECS grant increase greater than 2% times the ratio of its wealth to that of the 153rd wealthiest town in the state or 2% overall. In addition, no town's aid may be reduced by more than 9% times the ratio of its wealth to that of the 17th wealthiest town or 9% overall. These constraints are known as the "cap" and the "stop-loss," respectively. This bill changes the cap

and stop-loss percentages to 5%, allowing a bigger increase and a smaller loss than under current law. The caps and stop-losses apply regardless of a town's aid entitlement under the formula.

Transitional School Districts

Eligibility. Under the bill, a transitional school district is one that does not qualify as a priority district and that ranks from one to 21, when towns are ranked in descending order, on either of two alternate measures of student educational and economic need. One is the number of children on welfare plus the district's "mastery count," which is the number of students in the district scoring below state standards on mastery tests divided by the number who take the test multiplied by the number of the district's regular education students. The other is the ratio of students on welfare to all the district's students plus the "mastery percentage," which is the number of students in the district scoring below standard on mastery tests divided by the number taking the test.

Twelve districts currently meet these criteria: Ansonia, Bloomfield, Derby, Groton, Hamden, Killingly, Manchester, Norwich, Putnam, Stratford, West Hartford, and West Haven.

Grants. The bill makes transitional districts eligible for grants of \$250,000 per year. They must apply to the education commissioner when and how he prescribes. Grants are payable annually to local boards of education for the districts, based on available funds, annual applications, and program evaluations.

Boards must use at least 20% of the funds for early reading programs, including after-school and summer school programs. They may use the remainder for any of the following: (1) new or expanded dropout prevention programs; (2) alternative and transitional programs for students having trouble with regular programs; (3) academic enrichment, tutorial, and recreation programs in school buildings during nonschool hours and in the summer; (4) development or expansion of extended-day kindergarten; (5) enhancing technology to support instruction or improve parent-teacher communication; (6) initiatives to strengthen parents' school involvement; and (7) obtaining accreditation for

elementary and middle schools from the New England Association of Schools and Colleges.

The money must be used to supplement existing programs in these areas or to create new ones. If the State Board of Education finds that a district is using the grant for other purposes or to decrease local school support, it may require the district to repay it. The same spending requirements already apply to priority district grants.

BACKGROUND

Priority Districts

Priority districts are school districts with the largest populations, the most economically and educationally needy children, or both. The 14 priority districts are: Bridgeport, Bristol, Danbury, East Hartford, Hartford, Meriden, Middletown, New Britain, New Haven, New London, Norwalk, Stamford, Waterbury, and Windham.

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute Change of Reference
Yea 27 Nay 4

Appropriations Committee

Joint Favorable Report
Yea 50 Nay 0